

The IRS is required to take in 80% of tax returns electronically by 2007. One of the provisions of the IRS Restructuring and Reform Act of 1998 granted IRS the statutory authority to promote electronic filing to enable IRS to achieve this goal. IRS Electronic Tax Administration (ETA) has been encouraging taxpayer use of electronic filing options for its individual programs since 1997 through public service, and since 1998 through public service and paid promotion.

In 2000 and beyond, the ETA's promotional efforts for electronic filing will be purposefully expanded to include the business electronic filing programs. In addition to public service and paid promotion ETA is interested in establishing a partnership program with providers of approved business e-file solutions, and in forging agreements with the private sector for cooperative marketing. Approved business e-file solutions are any combination of products and services that facilitate the electronic filing of business returns, and have been successfully tested according to the requirements for that particular program.

ETA is prepared to aggressively market business e-file solutions that have passed application and testing requirements established by the IRS for electronically filing each of the business return types and can be marketed to business taxpayers. Such marketing would not be an endorsement of the product or service of a partner, nor would it be a promotion of the product or service of a partner to the exclusion of other tested business e-file solutions. A disclaimer to that effect would be incorporated into resulting cooperative marketing activities.

One of the first steps ETA is taking to accomplish such relationships is the establishment of an area on the Digital Daily web site for business e-file providers that will both improve business taxpayer access to business e-file solutions, and provide a promotional forum for ETA and its cooperative marketing partners. This dedicated area would be similar to the current IRS e-file Partners Page [http://www.irs.ustreas.gov/prod/elec\\_svs/partners.html](http://www.irs.ustreas.gov/prod/elec_svs/partners.html).

If your company is interested in such a marketing opportunity with the IRS, and is currently or planning to develop software for an existing or future business e-file program, please respond according to the "Statement of Interest Requirements" outlined at the end of this announcement. *Responses proposing the promotion of magnetic media solutions will not be considered for these cooperative marketing partnerships.*

Business e-file programs and formats that are currently available are:

- 941 e-file: Electronic Data Interchange (EDI)  
941 e-file Proprietary will be supported by IRS in July 2000
- 941 OLF: Internet, web-based, or off the shelf software may be developed for this program
- 1065: EMS/Proprietary format  
Partnerships with more than 100 partnerships will be required to file electronically for taxable years ending on or after December 31, 2000. All partnerships, however, regardless of the number of partners, will be encouraged to voluntarily file partnership returns electronically beginning June 5, 2000 at which time, the IRS will accept electronically filed partnership returns transmitted to the IRS Tennessee Computing Center in Memphis, Tennessee, for tax years ending on or after December 31, 1999.

Programs and formats that are scheduled for delivery by the IRS over the next 2 years include:

- 940, Employer's Annual Federal Unemployment Tax Return: e-file proprietary in 2001  
941, Employer's Quarterly Federal Tax Return: e-file proprietary in 7/2000  
941, Employer's Quarterly Federal Tax Return: OLF proprietary in 2001  
1120, U.S. Corporation Income Tax Return: e-file in 2002  
1120s, U.S. Corporation Income Tax Return for an S Corporation: e-file in 2002  
2290, Heavy Vehicle Use Tax Return, e-file/Internet/ACH Debit Payment in 2002

Total Number of Returns Filed per Year by Form:

940	5.6 Million	1120	2.3Million
941	23.0 Million	1120S	2.6Million
1065	1.8 Million	2290	600,000
1065 K-1	17.7 Million		

An initial research, evaluation, and selection process for this purpose will be ongoing until December 31, 2000 at which time ETA anticipates announcing a similar program with any necessary modifications. Any agreements resulting from this initial program will cover a period not to exceed 12 months from the date of IRS signature.

The IRS will endeavor to negotiate cooperative marketing agreements with any respondent that has a product or service that would facilitate electronic filing of business returns, and that has passed the application and testing requirements established by the IRS for electronically filing of the applicable business return.

Prospective partners should provide a Statement of Interest by e-mail to Ms. Karin Cano at [karin.cano@irs.gov](mailto:karin.cano@irs.gov), or by fax at (202)283-7454.

Statement of Interest Requirements:

1. Include the name, e-mail address, fax and voice numbers for the person authorized to discuss a Memorandum of Agreement (MOA).
2. Provide a brief description of your electronic filing product or service including:
  - The form it files (941, 1065...);
  - The format (EDI, Proprietary...);
  - When the product/service will be tested;
  - When it is anticipated that the product/service will be available to taxpayers;
  - Which taxpayers will be able to use it; and
  - How they will be able to access/buy it (on line w/ software, on line w/out software, off the shelf software, downloadable software).
3. Provide a description of how this product will be marketed to the intended user.
4. Provide a description of cooperative marketing efforts that could be employed by your company and the IRS to improve awareness of your product and IRS e-file for Business.
5. Identify the company's web site (if applicable).

Mandatory Requirements

1. The product or service of the potential source has successfully passed the necessary application and testing requirements established by the IRS for electronically filing of the business return type.

Note: A statement of interest may be submitted for consideration prior to passing application and testing requirements established by the IRS for electronic filing of the business return type, however no agreement will be established until the product or service is successfully tested.

2. The potential source must agree to track and report the number of unique visitors to its web site via the hyperlink (if requested) from the IRS web site.

No reimbursement for any costs connected with providing the requested information will be made by the IRS. This announcement is for information purposes, and does not constitute a Sealed Bid, Request for Proposal, or Request for Quota, and is not to be construed as a commitment by the IRS.

To obtain further information necessary to participate, create and test solutions, please visit the Electronic Services section of the IRS Digital Daily web site at: [www.irs.ustreas.gov/elec\\_svs/efile-bus.html](http://www.irs.ustreas.gov/elec_svs/efile-bus.html). If you are unable to obtain the information you are seeking, or if you are interested in developing software for a form that is not presently an electronic business filing option, please send your specific request for information to Ms. Karin Cano by e-mail at [karin.cano@irs.gov](mailto:karin.cano@irs.gov) or by fax at (202)283-7454.